



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

January 19, 2012

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These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

Grants and Demonstrations

The ACA provides funding opportunities to transform how health care is delivered, expand access to care and support healthcare workforce training.

Grant Announcements

Maternal, Infant, and Early Childhood Home Visiting Research Program, \$2951.

Announced January 17, 2012. Funding is available to public or nonprofit institutions of higher learning and public or private nonprofit agencies engaged in research or in programs relating to maternal and child health and/or services for children with special health care needs. The Research Program grants will support research relating to maternal, infant, and early childhood home visiting services which show promise of advancing knowledge about the implementation and effectiveness of home visiting programs designed to improve life outcomes among mothers, infants, and young children. HRSA will make 2 awards totaling \$600,000 for this initiative. Applications are due March 16, 2012.

The announcement can be viewed at: [Announcement](#)

News

1/18/12 The White released a report detailing the steps that states have taken to implement the ACA called "2012 Progress Report: States Are Implementing Health Reform." The report chronicles work being done in the states on several key ACA initiatives. For example, 44 states are participating in the premium rate review system where insurers seeking insurance premium increases of 10% or more for non-grandfathered plans in the individual and small

group markets must publicly and clearly disclose the proposed increases and the justification for them. According to the report, 28 states and the District of Columbia are working toward establishing Affordable Insurance Exchanges. The report reviews the Exchange-like structure that Massachusetts had in place prior to the ACA. Background on the passage of comprehensive state reforms in 2006 is provided and the state's 95% coverage rate- the highest in the nation- is highlighted. The analysis explains how Massachusetts is preparing to align its program with the ACA design and build an integrated IT system with other states through the New England Collaborative for Insurance Exchange Systems, a \$35.6 million Early Innovators Grant.

Read the report at:

http://www.whitehouse.gov/sites/default/files/01-18-12_exchange_report.pdf

1/13/12 Massachusetts Attorney General Martha Coakley filed an amicus brief with the U.S. Supreme Court supporting the ACA and arguing that the Massachusetts' experience since passage of the 2006 health law validates the federal law. The court is scheduled to hear oral arguments starting March 26, 2012 in a case challenging the constitutionality of the ACA's individual mandate requirement that most Americans buy health insurance. The brief focuses on the individual mandate provision of the ACA and states that successful implementation of the Massachusetts' health reform law led to a reduction in the number of uninsured people utilizing the "free-care" pool, a result which demonstrates that Congress had a constitutional basis to construct the mandate. "Massachusetts is uniquely situated to speak to the actual economic effects of comprehensive reform that includes an individual coverage requirement," the brief says.

Read the amicus brief at:

<http://www.mass.gov/ago/docs/press/2012-01-13-health-care-amicus.pdf>

1/12/12 CCIIO announced that in conducting a rate review of Trustmark Life Insurance Company under §1003 of the ACA it found that the health insurer is charging small businesses in Arizona, Alabama, Pennsylvania, Virginia and Wyoming unreasonably high premium increases. The rate review program requires that insurers seeking rate increases of 10% or more for non-grandfathered plans in the individual and small group markets publicly and clearly disclose the proposed increases and the justification for them. Such increases are reviewed by either state or federal experts (in instances where states do not have such resources) to determine whether they are unreasonable. Although the ACA does not grant HHS the authority to block a proposed rate increase, companies whose rates have been determined unreasonable must either reduce their rate hikes or post a justification on their website within 10 days of the rate review determination.

CCIIO started doing rate reviews in the past few months and the Trustmark announcement of an unreasonable increase was the second such announcement.

After independent expert review, HHS determined that Trustmark's rate increase of 13% over the past year would affect 10,000 people in five states and was excessive. For example, for small businesses in Alabama and Arizona, when combined with other rate hikes made over the last 12 months, rates have increased by 27.2% and 18.1%, respectively. In this case, CCIIO determined that the rate increases were unreasonable because the insurer did not meet the medical loss ratio (MLR) spending rules under the ACA and would be spending a low percent of premium dollars on actual medical care and quality improvements, and because the justifications were based on unreasonable assumptions. Under its premium increase proposal the company would have spent from 56% to 74%, depending on the state. (The ACA's MLR rules require that 80% be spent on medical care). Trustmark responded that they will be in compliance with the MLR rules and if there are instances where they are not, they will promptly

rebate the difference to those customers.

For more information about this rate review and to find state rate increase information, visit:
<http://companyprofiles.healthcare.gov/>

For general information about rate review, visit:
<http://www.healthcare.gov/law/features/costs/rate-review/>

Upcoming Events

Quarterly Affordable Care Act Implementation Stakeholder Meeting

Monday, March 12, 2012 from 2PM- 3PM
1 Ashburton Place, 21st Floor
Boston, MA

Money Follows the Person (MFP) Working Group

Thursday, February 2, 2012 from 2 PM - 3:30 PM
Saxe Conference Room
Worcester Public Library
3 Salem Square
Worcester, MA

Please contact MFP@state.ma.us to attend the MFP meetings and to request reasonable accommodations.

More information on MFP can be found at: [Money Follows the Person](#)

Bookmark the **Massachusetts National Health Care Reform website**
at: <http://mass.gov/national health reform> to read updates on ACA implementation in Massachusetts.

Remember to check <http://mass.gov/masshealth/duals> for information on the **"Integrating Medicare and Medicaid for Dual Eligible Individuals"** initiative.